

DEPARTMENT OF LIVESTOCK



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11/5/98



MARC RACICOT, GOVERNOR

301 N ROBERTS ST - RM 236
PO BOX 202001
HELENA, MONTANA 59620-2001

STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

(406) 444-1432 FAX

BEFORE THE BOARD OF MILK CONTROL
OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED: November 5, 1998
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PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

CLASS I PRICE FOR MILK TESTING 3.5%

\$18.59 /CWT

EFFECTIVE DECEMBER 1, 1998:

The minimum price to pay milk producers, under ARM 32.24.301, is \$18.59 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential twenty five and one-half cents for each one-tenth of one percent butterfat above or below the mid each producer payment. The value of one pound of butterfat utilized will be \$2.55.

CLASS I BUTTERFAT PRICE PER POUND

\$2.55 /LB

PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%

\$16.81 /CWT

Average spray process dry milk solids

price per pound = \$1.13380
Multiplied by 8.2 x 8.2

\$9.29716

PLUS +

Last quote of the month for Grade AA butter
minus a differential of \$.0895 = \$2.16050
Multiplied by 4.2 x 4.2

\$9.07410

+ \$9.07410

LESS 8.5% (\$18.37126 X .085)

\$18.37126

- \$1.56156

\$16.80970

Rounded to the nearest whole cent = \$16.81 /hundredweight.

PLEASE RETURN

CLASS II BUTTERFAT PRICE PER POUND**\$2.40 /LB**

Butterfat differential	(	\$2.16050	X .111)	=	\$0.23982
Rounded to the nearest half cent				=	\$0.240

CLASS II VALUE OF ONE POUND OF SKIM**0.087150259 /LB**

Butterfat value per pound	=	\$2.40	
for milk at 3.5% test:			
Hundredweight price of milk testing 3.5%			= \$16.81
LESS 3.5 pounds of butterfat at	\$2.40 per pound	-	\$8.400
Value of 96.5 pounds of skim		=	\$8.410
Value of one pound of skim	(	8.410 / 96.5 pounds)	= \$0.08715 /LB

PRODUCER CLASS III PRICE IN MONTANA

REF: ARM 32.24.301(5)

CLASS III BUTTERFAT PRICE PER POUND**\$1.94 /LB**

Last quote of the month for Grade AA butter		
minus a difference of \$.0895	=	\$2.16050
LESS 10%	-	\$0.21605
		\$1.94445

Rounded to the nearest whole cent	=	\$1.94 per pound.
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CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED**7.71664 /CWT**

Avg. spray process dry milk solid price/lb =	\$1.13380
Multiplied by 8.2	8.2
	\$9.29716
LESS 17%	\$1.58052
	\$7.71664

Rounded to the nearest whole cent	=	\$7.72 per hundredweight.
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CLASS III PRICE PER CWT FOR MILK TESTING 3.5%**\$14.24 /CWT**

3.5 pounds of butterfat	x	\$1.94 per pound =	\$6.790
96.5 pounds of skim		\$0.07717 per pound =	\$7.447

\$14.237 /CWT**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by:

Marlys M. Koontz
 Marlys M. Koontz, Program Specialist
 Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$18.59 FOR 3.5% MILK 96.5 LBS = \$9.665		CLASS II SKIM PRICE BASED ON \$16.81 FOR 3.5% MILK 96.5 LBS = \$8.410		CLASS III SKIM PRICE BASED ON \$14.24 FOR 3.5% MILK 96.5 LBS = \$7.447	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.09913	2.50	\$0.08626	2.50	\$0.07638
2.55	\$0.09918	2.55	\$0.08630	2.55	\$0.07642
2.60	\$0.09923	2.60	\$0.08634	2.60	\$0.07646
2.65	\$0.09928	2.65	\$0.08639	2.65	\$0.07650
2.70	\$0.09933	2.70	\$0.08643	2.70	\$0.07654
2.75	\$0.09938	2.75	\$0.08648	2.75	\$0.07657
2.80	\$0.09943	2.80	\$0.08652	2.80	\$0.07661
2.85	\$0.09949	2.85	\$0.08657	2.85	\$0.07665
2.90	\$0.09954	2.90	\$0.08661	2.90	\$0.07669
2.95	\$0.09959	2.95	\$0.08666	2.95	\$0.07673
3.00	\$0.09964	3.00	\$0.08670	3.00	\$0.07677
3.05	\$0.09969	3.05	\$0.08675	3.05	\$0.07681
3.10	\$0.09974	3.10	\$0.08679	3.10	\$0.07685
3.15	\$0.09979	3.15	\$0.08684	3.15	\$0.07689
3.20	\$0.09985	3.20	\$0.08688	3.20	\$0.07693
3.25	\$0.09990	3.25	\$0.08693	3.25	\$0.07697
3.30	\$0.09995	3.30	\$0.08697	3.30	\$0.07701
3.35	\$0.10000	3.35	\$0.08702	3.35	\$0.07705
3.40	\$0.10005	3.40	\$0.08706	3.40	\$0.07709
3.45	\$0.10010	3.45	\$0.08711	3.45	\$0.07713
3.50	\$0.10016	3.50	\$0.08715	3.50	\$0.07717
3.55	\$0.10021	3.55	\$0.08720	3.55	\$0.07721
3.60	\$0.10026	3.60	\$0.08724	3.60	\$0.07725
3.65	\$0.10031	3.65	\$0.08729	3.65	\$0.07729
3.70	\$0.10036	3.70	\$0.08733	3.70	\$0.07733
3.75	\$0.10042	3.75	\$0.08738	3.75	\$0.07737
3.80	\$0.10047	3.80	\$0.08742	3.80	\$0.07741
3.85	\$0.10052	3.85	\$0.08747	3.85	\$0.07745
3.90	\$0.10057	3.90	\$0.08751	3.90	\$0.07749
3.95	\$0.10062	3.95	\$0.08756	3.95	\$0.07753
4.00	\$0.10068	4.00	\$0.08760	4.00	\$0.07757
4.05	\$0.10073	4.05	\$0.08765	4.05	\$0.07761
4.10	\$0.10078	4.10	\$0.08770	4.10	\$0.07765
4.15	\$0.10083	4.15	\$0.08774	4.15	\$0.07769
4.20	\$0.10089	4.20	\$0.08779	4.20	\$0.07773
4.25	\$0.10094	4.25	\$0.08783	4.25	\$0.07777
4.30	\$0.10099	4.30	\$0.08788	4.30	\$0.07782
4.35	\$0.10105	4.35	\$0.08792	4.35	\$0.07786
4.40	\$0.10110	4.40	\$0.08797	4.40	\$0.07790
4.45	\$0.10115	4.45	\$0.08802	4.45	\$0.07794
4.50	\$0.10120	4.50	\$0.08806	4.50	\$0.07798

PRODUCER CLASS I PRICE IN MONTANA

Comparison of Class I price in 1997 & 1998

MONTANA MILK CONTROL BUREAU

Month	1997	1998	Difference	% Change
January	\$14.16	\$15.51	\$1.35	8.70%
February	\$13.89	\$15.84	\$1.95	12.31%
March	\$14.49	\$15.80	\$1.31	8.29%
April	\$15.01	\$15.87	\$0.86	5.42%
May	\$15.04	\$15.36	\$0.32	2.08%
June	\$13.99	\$14.56	\$0.57	3.91%
July	\$13.25	\$13.43	\$0.18	1.34%
August	\$13.29	\$15.65	\$2.36	15.08%
September	\$13.41	\$17.32	\$3.91	22.58%
October	\$14.62	\$17.54	\$2.92	16.65%
November	\$15.34	\$17.65	\$2.31	13.09%
December	\$15.38	\$18.59	\$3.21	17.27%
Average	\$14.32	\$16.09	\$1.77	10.56%

PRODUCER CLASS I PRICE IN MONTANA

Comparison of class I price in 1997 & 1998

